

***Am I an assessee?***

Yes, you are an assessee in order to comply with the requirements of the Income Tax Ordinance 1984 (hereinafter referred to as the **Ordinance**) if:

- a) You need to pay any tax or other sum, which is payable under the Ordinance;
- b) Any proceedings have been taken for the assessment of income of your own or any other person, or of refund of tax due to you or such other person;
- c) You are required to file a return under Section 75, 89 or 91 of the Ordinance;
- d) You desire to be assessed and submit your return of income under the Ordinance;
- e) You are deemed to be an assessee or an assessee in default under any provision of the Ordinance.

***Should I file a return of income?***

You should file your return of income if you have satisfied any one of the following conditions:

- a) Your 'total income' for any income year has exceeded the threshold of non-assessable income. Presently it is Tk 120,000.
- b) You were assessed to tax for any one of the three years immediately preceding the income year;
- c) You reside within the limits of a city corporation or a paurashava (municipality), or a divisional headquarters or district headquarters and fulfils any of the following conditions –
  - own a building consisting of more than one storey the plinth area whereof exceeds 1,600 square feet;
  - own a motor car as per Section 2(25) of the motor Vehicles Ordinance 1983, including a jeep and micro-bus;
  - subscribe a telephone;
  - own a membership of a club registered under the Value Added Tax Act 1991 (Act 22 of 1991);
- d) You run a business or profession under a trade licence issued by a city corporation, a paurashava or a union parishad, and operate a bank account;
- e) You are a registered member of a recognised professional body as a doctor, dentist, lawyer, income tax practitioner, chartered accountant, cost and management accountant, engineer, architect or surveyor or any other similar profession;
- f) You are a member of a chamber of commerce and industries or a trade association;
- g) You are a candidate for an office of any union parishad, city corporation, or a member of Parliament;
- h) You participate in a tender floated by the government, semi-government, autonomous body, or a local authority;
- i) You have a taxpayers identification number (TIN);
- j) You are a 'company' as defined in Section 2(20) of the Ordinance.

***When shall I file my return of income?***

- a) If you are a company, not after the expiry of 6 months from the end of your income year or by 15 July of the corresponding assessment year, whichever falls due latter.
- b) In all other cases, by 30 September during the assessment year corresponding to the relevant income year.

***What document should accompany my return?***

- a) If you are a company, the financial statements of your company for the relevant income year duly audited by a firm of chartered accountant. You will need to file the evidences of payment of tax either through direct payment or by way of deduction at source. The assessing officer may call for any further documents or information that he shall need to complete the assessment.
- b) If you are an individual, a statement on your life style during the income year and a statement of your assets, liabilities as at the end of the income year and expenses for the said year – both in the prescribed forms. Presently, a consolidated form of return that includes statement of assets & liabilities (IT-10B) and statement on certain particulars of life style (IT-10BB) is available.
- c) You may file the photocopies of the documents relating to assets acquired during the income year and liabilities incurred during the same period. Bank certificates or statements, savings

- certificates/instruments, title deed of land/building, account statement of deposit pension scheme, certificate of House Building Finance Corporation, etc are such documents.
- d) Employer's certificate for salary income and deduction of tax at source is an important document to substantiate your return of income.
  - e) Lease agreement relating to house property, receipts for land tax, RAJUK receipt, City Corporation or municipal tax receipts, etc are relevant to income from house property.
  - f) Bank's certificate as to encashment of foreign currencies brought into Bangladesh is very much pertinent to corroborate the source of funds of a non-resident assessee.
  - g) You should also enclose the documents referred to on the back cover of the return form.

#### *How shall I fill in the return of income?*

- a) You first read the prescribed form of return of income carefully. If so required, go through the entire form time and again and identify the columns that you may need to fill up. You also mark out the documents (named on back cover of the return form), which are relevant to you. You obtain the required documents and compile the information in a careful manner. Now you start with Part III of the return. If you have income from source(s) other than salary and house property income, please use separate sheet(s) paper in computing such income. Then come to the Part II of the return. Please note that the aggregate of income from various sources should appear in corresponding rows of this part of return. Finally, you need to fill up Part I of the return. Please do not forget to fill up the inside front cover of the return that lists the documents that you will attach with your return. It is advisable that as much as possible documents in support of the facts and figures appearing in the return are enclosed for the sake of a smoother process of assessment. Next you take up IT-10B and IT-10BB for filling up. The sum of expenses declared in IT-10BB shall never be equal to or higher than that you shall declare under items 12(a) and 12(b) of IT-10B. If possible, you may enclose a statement showing the reconciliation of accretion or decrement in your net assets by reference to your declared income and expenses. Though not so explicit from the return and other forms, please note that there is close correlation among the figures of these three statements. Any discrepancy may, therefore, have a serious consequence. Please also note that IT-10B and IT-10BB are not applicable to an assessee who is not an individual.
- b) However, if your entire total income is classifiable under 'Salaries' or any other income from which the full amount of tax payable thereon has been deducted at source, you have the option of filing a certificate in the format prescribed in Rule 24(2) of the Income Tax Rules 1984.
- c) It is advisable that you consult an expert to ensure the correctness of your return before filing the same.

#### *When should I pay tax based on the return of income?*

- a) You should pay the tax as arrived at on the basis of your return of income and as reduced by taxes paid by you by way of deduction at source and that you paid in advance (vide item 16(c) of Part II of the return) on or before the time you shall file your return of income.

#### *Should I pay advance tax?*

- a) If you are a new assessee, yet to be assessed under the Ordinance income and for a specific income year your taxable income is expected to exceed Tk 200,000, you need to pay advance tax as defined in Section 64 of the Ordinance.
- b) If you have been assessed to income for any latest year for a total income of at least Tk 200,000, you need to pay advance tax on the basis of such assessed income.
- c) You need to pay advance tax on the basis of your own estimate, if your incomes for the past years have not been assessed.
- d) You may also pay advance tax based on your estimate if it is expected that income for the relevant income year will be less than the tax that has been assessed for the latest income year.
- e) However, you shall not pay any tax in advance if the full amount of tax payable by you has been deducted at source, or such tax as deducted source will be the final discharge of your tax liability in respect of such income.
- f) You shall not also pay advance tax in respect of agricultural income and capital gains.

*Should I deduct tax from the payments to creditors?*

- a) It is mandatory that you deduct tax according to the provisions of the Ordinance, if you are:

an employer,  
any authority,  
a corporation or body or a unit thereof,  
a company as defined in Section 2(20) of the Ordinance,  
a banking company, or a co-operative bank,  
an insurance company,  
a Non-government Organisation being registered with NGO Affairs Bureau,  
a university or medical college or dental college or engineering college,  
a trust being registered under the Trust Act 1882,  
a stock exchange, or  
paying an income to a non-resident, etc

*What are the payments that are subject to deduction of tax at source?*

- a) In the following cases, tax should be deducted at source:

Salary to an employee,  
Discount on the real value of Bangladesh Bank Bills,  
Interest on securities,  
Supply of goods, or execution of contracts,  
Import of goods,  
Indenting commission,  
Winning from lottery or crossword puzzles,  
Income from house property,  
Export of manpower,  
Purchase of goods or property (other than plot of land) by public auction,  
Acting in films,  
Shipping agency commission,  
Commission, discount or fees payable to a distributor or marketing agent of a manufacturer,  
Interest on savings deposits, fixed/term deposits and share of profits on term deposits,  
Insurance commission payable to an insurance agent,  
Income under 'capital gains',  
Fee for professional or technical services,  
Royalty or technical know-how fee,  
Commission receivable by a clearing and forwarding agent,  
On the sale of banderols of cigarettes manufactured manually,  
Compensation against acquisition of property,  
Interest on savings instruments,  
Income derived by brick manufacturers,  
Services rendered by doctors to a hospital or a diagnostic centre,  
Commission on letters of credit,  
Fee to a surveyor of general insurance company,  
Commission or charges to a foreign buyer's agent,  
Dividends,  
Stevedoring and private security services,  
Shipping business of a resident,  
Business of real estate and land developer,  
Export of knitwear or woven garments,  
Transactions of shares, debentures, mutual funds, bonds or securities by a member of stock exchange,  
Income of courier business by a non-resident,  
Export cash subsidy,  
Use of credit card by a credit card holder,  
Transfer of property,  
Income chargeable under the Ordinance payable to a non-resident,  
On registration or renewal of fitness of bus, truck, minibus, coaster, etc,

On registration or renewal of certificate for marine vessels plying on inland water including cargo, coaster, dumb barge but excluding oil tanker.

***How shall I deposit the tax deducted by me at source?***

- a) You should deduct tax at the time of respective payments and deposit the same to the credit of the Government within seven (7) days from date of deduction.
- b) Tax so deducted should be deposited into the government account # 1/1141/0000/0101 (if the person from whom tax has been deducted is a company) or #1/1141/0000/01111 (in other cases) maintained with the Bangladesh Bank or treasury branches of Sonali Bank through account payee cheque accompanied by treasury challan (threefold).
- c) In the following cases, double cheque system may be adopted:
  - Payments to contractors or suppliers,
  - Fees to doctors, or for professional or technical services (u/s 52A),
  - Rental for house property, and
  - Fees to distributor or marketing agents of manufactured goods.
- d) Please note that you should obtain a tax collection account number, as a deducting person, from the National Board of Revenue. For this purpose, you need to apply to the Deputy Commissioner of Taxes who has jurisdiction to assess you, in the prescribed form. This tax collection number should be mentioned in the challan.

***What should I do further to the deposit of tax?***

- a) You should issue a certificate in the form prescribed in Rule 18 of the Income Tax Rules 1984 to the person from whom tax has been deducted, within fifteen (15) days from the date of deduction.
- b) You should also file a return in the prescribed form within 15 days of the following next month furnishing the required particulars of tax deducted at source (other than from salary, bank interest and transfer of property) to the following authorities:

For Dhaka district	Commissioner of Taxes, Taxes Zone 2, Dhaka
For Chittagong district	Commissioner of Taxes, Taxes Zone 2, Chittagong
For Rajshahi district	Commissioner of Taxes, Rajshahi
For Khulna district	Commissioner of Taxes, Khulna
For other districts	Deputy Commissioner of Taxes, Circle 1